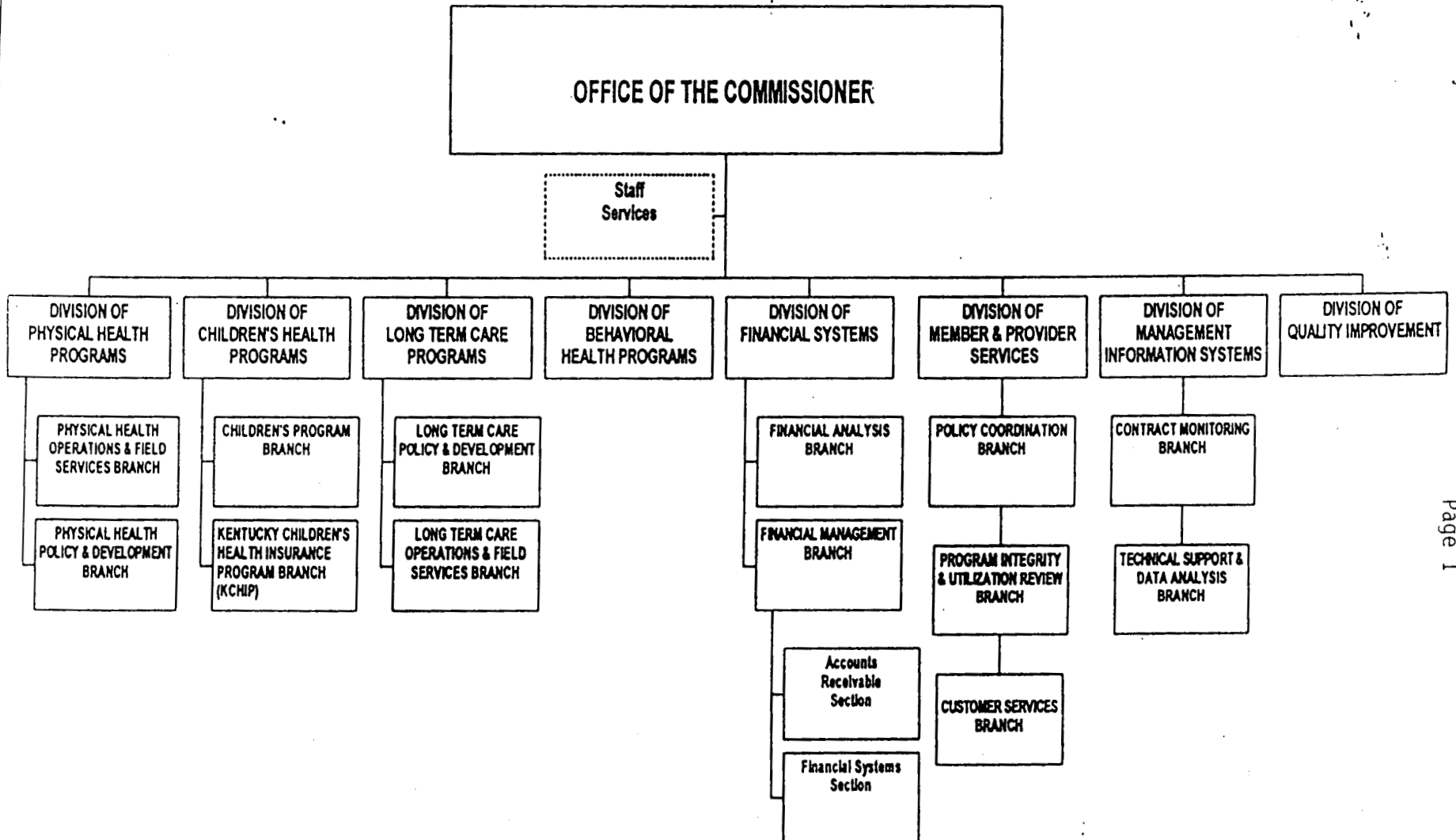


DEPARTMENT FOR MEDICAID SERVICES



ORGANIZATION AND FUNCTION OF THE STATE AGENCY

Under the provisions of KRS 194A.010, the Cabinet for Health Services is the primary agency in state government responsible for the development and operation of health programs, including all federal programs in which the Commonwealth elects to participate. The Secretary of the Cabinet is the chief executive and administrative officer of the Cabinet for Health Services, pursuant to KRS 194A.020. In accordance with KRS 194A.030(7), the Department for Medicaid Services is the single state agency in the Commonwealth to administer Title XIX of the federal Social Security Act. The Commissioner for Medicaid Services exercises authority over the Department under the direction of the Secretary of the Cabinet and performs those functions delegated to him by the Secretary of the Cabinet.

The Secretary of the Cabinet for Health Services has delegated to the Department for Medicaid Services, line organizational responsibilities as the medical assistance unit within the government of the Commonwealth of Kentucky. Accordingly, it is the organizational unit responsible for administration of the Medical Assistance programs and payments for vendor services provided to eligible recipients in the program under the direct supervision of the Secretary of the Cabinet for Health Services.

ORGANIZATION AND FUNCTION OF THE STATE AGENCY

Organizational Description

The organizational structure of the Department for Medicaid Services consists of a commissioner, deputy commissioner, and eight (8) divisions. Each division director assumes specific responsibility in one of the eight following divisions: Behavioral Health Programs, Physical Health Programs, Children's Health Programs, Long Term Care Programs, Member and Provider Services, Management Information Systems, Financial Systems, and Quality Improvement.

Each director utilizes branch managers and clerical who specialize in specific program areas.

The structural organization is outlined in the accompanying organizational chart.

Functions of the Unit

The Department for Medicaid Services is directly concerned with administration of all aspects of the Program (excluding the eligibility determinations function) and with attaining its objectives. It is responsible for promoting and administering the provision of a continuum of high quality comprehensive services to indigent citizens of the Commonwealth of Kentucky so as to improve their health care. There is a further responsibility for the Department to promote efficiency in assuring the health care. There is a further responsibility for the Department to promote efficiency in assuring the availability and accessibility of facilities and resources, particularly in rural and urban poverty areas where shortages of health resources prevail. To be effective in these respect, it is essential for the Department to have a unified philosophy, clearly defined goals, and sufficient authority to carry out its responsibilities. As the organizational unit administering the Medicaid program, the Department is responsible for developing, recommending, and implementing policies, standards, and procedures relating to benefit elements. The functions and responsibilities of the Department include, but are not limited to, the following:

1. Certifying the need of recipients for Medical Assistance;
2. Issuing authorizations for provision of medial Assistance;
3. Certifying the provision of medical care in accordance with quality and quantity standards as established;
4. Developing bases and methods of payment for the medical services provided;
5. Certifying vendor billings for compliance with established base of payments;
6. Developing and implementing a managed care program for the delivery of physical and behavioral health services through Health Care Partnerships and Managed Behavior Health Organizations;
7. Redirecting the emphasis of services through managed care toward primary care and prevention while improving accessibility, availability and quality of care for individuals served by Medicaid;
8. Developing and implementing a capitated non-emergency medical transportation delivery system, excluding ambulance stretcher service;
9. All other activities agreed upon jointly by the Advisory Council for Medical Assistance, the Cabinet for Health Services, and the Department for Medicaid Services.

TN No. 99-01

Supersedes

TN No. 96-9Approval Date APR 06 1999Effective Date 1-16-99

In the course of carrying out the above specifically designated functions and in providing staff assistance to the Advisory Council for Medical Assistance, the Department for Medicaid Services performs other functions, including but not limited to:

1. Developing, implementing, and dissemination policy and procedure material relevant to service benefits;
2. Preparing and managing the Program budget;
3. Conducting research analysis and evaluation, and preparing special reports on the findings thereof;
4. Conducting provider and recipient utilization review for use as a control technique in the enforcement of quality and quantity standards;
5. Establishing and maintaining a data base for the generation of statistics necessary for the operation and management of the program;
6. Maintaining a complete system of claims processing;
7. Determining recipient qualifications for specific service benefits;
8. Verifying recipient eligibility and certifying provider payment;
9. Providing oversight of the managed care program for the delivery of physical and behavioral health services;
10. Providing oversight of the capitated non-emergency medical transportation delivery system;
11. Assisting the Advisory Council, the Technical Advisory Committees, and other special committees as they carry out their assignments;
12. Administering a quality improvement program to monitor and evaluate the health and health outcomes of members.

MISSION STATEMENTS FOR DIVISIONS AND SUBORDINATE UNITS**OFFICE OF THE COMMISSIONER**

The Office of the Commissioner, Department for Medicaid Services, subject to the supervision and approval of the Secretary of the Cabinet for Health Services, carries the responsibility for overall administration and direction of the Kentucky Medicaid Program. This office provides the principal liaison between the Office of the Secretary and the Divisions within the Department. It is also responsible for directing the coordination of program activities with those of related programs of other state and federal agencies.

DIVISION OF FINANCIAL SYSTEMS

This Division is the Department's financial analysis and budget office, and has responsibility for formulation and monitoring of the Medicaid budget, preparation and distribution of statistical data and activities.

- (1) Financial Management Branch: This Branch is made up of two sections, Financial Systems Section and Accounts Receivable Sections. This Branch oversees the Department's Administrative and benefit budgets, as well as all financial transactions of the Department. In addition, contract development and negotiations are coordinated through this office. All Federal budget and statistical reports are prepared and submitted by this office. In conjunction with the Information Systems Division, this Branch ensures that the Department's automated systems are appropriately updated to provide accurate and timely finance-related information.
- (a) Financial Systems Section: This section is responsible for preparing and monitoring federal and state budgets and preparing related reports, coordinating the Department's response to the single state agency audit & other related special audits (e.g. HCFA follow-up), providing technical assistance and coordinating the development and processing of the Department's contracts, assessing the fiscal impact of each contract, and calculating and distributing DSH payments to qualifying hospital providers. With the program staff, they obtain approval from contract monitors for payment of bills, and process approved bills.
- (b) Accounts Receivable Section: In conjunction with program divisions and other systems divisions, this section is responsible for establishing and maintaining a payments recovery system (e.g. third party liabilities, penalties, over-payments and recipient estate recoveries). With appropriate program staff input, this section also monitors the operation of the TPL and estate recovery systems and the estate recovery contractor.

TN No. 99-01

Supersedes

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- (2) Financial Analysis Branch: With appropriate program staff input, this Branch is responsible for performing long and short term revenue and expenditure forecasting for the Department, performing financial impact analysis for newly proposed programs, proposed legislation, service or eligibility revisions for expansion, and conducting or sponsoring actuarial studies of Medicaid or MCE service and demographic experience. In addition, they are responsible for evaluating Managed Care Entities rate proposals in light of actuarial information, and maintaining expertise necessary to provide technical assistance to program staff in support of their rate modeling & development responsibilities.

DIVISION OF MANAGEMENT INFORMATION SYSTEMS

This Division has the oversight responsibility for the contract with the MMIS/Fiscal Agent. Staff of this Division are responsible for provision of technical assistance to the Commissioner and Deputy Commissioner.

- (1) Technical Support and Data Analysis Branch: This Branch is responsible for providing technical assistance to the Department in all areas of Information System development and management. They maintain a local LAN Help Desk, maintain the Department's Intranet, remain abreast of the state of the art of systems hardware and software technology, and provide technical assistance to the department in the areas of report design and data analysis. They also assist program staff in the interpretation of data.
- (2) Contract Monitoring Branch: This Branch is responsible for developing, coordinating the procurement, maintaining, and monitoring the MMIS contract. In addition, this Branch serves as the Department liaison and monitors the performance of all external "feeder" Information Systems (Pro, SSI, etc.,) prepares and verifies the accuracy and completeness of all routine and special management information reports, maintains a central repository for all MARS reports, and serves as the Department liaison to external information management agencies.

DIVISION OF CHILDREN'S HEALTH PROGRAMS

This Division is responsible for the program development and reimbursement functions of the Title XXI Kentucky Children's Health Insurance Program (KCHIP) and for Title XIX programs which emphasize children's health care needs.

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- (1) Children's Programs Branch: This Branch is responsible for policy recommendation, program development and provider communication for the following services: Early Periodic Screening, Diagnostic and Treatment (EPSDT), School-Based Health Services, and Infant & Toddler Early Intervention Services.
 - (2) KCHIP Branch: This Branch is responsible for policy recommendation, program development and provider communications for the CHIP program. This Branch is also responsible for monitoring participating providers and Accountable Pediatric Organizations (APOs) for compliance with state and federal regulations and their achievement of service access and quality targets and goals, providing necessary program technical assistance and training to participating providers including advice on best practices to MCEs and APOs and negotiating and monitoring assigned provider, MCE, and Department agent contracts. In conjunction with the Information Systems Division, this Branch is also responsible for ensuring that automated provider payment and reporting systems are appropriately updated and revised so as to enforce and support program policies.

DIVISION OF LONG TERM CARE PROGRAM

This Division is responsible for the program development and reimbursement functions of the Long Term Care Programs in addition to administering the PRO utilization review contract and monitoring the performance of the PRO. It will coordinate programmatic functions through two Branches:

- (1) Long Term Care Policy and Development Branch: This Branch is responsible for ensuring that the agency is in compliance with all applicable state and federal laws and regulations governing long term care programs, for ensuring that the State plan and administrative regulations reflect the method in which long term care programs are being administered, for providing technical assistance and expert testimony to and on behalf of the Cabinet and other state agencies. (e.g. hearings, law suits, legislative testimony and new program development), and for remaining abreast of the state of the art of the various long term care service areas (e.g. Federal regulatory changes, marketplace dynamics, service and reimbursement innovations) and recommending program policy.
- (2) Long Term Care Operations and Field Service Branch: This Branch is responsible for program functions and providing comprehensive support for the Supports for Community Living Program, the Home and Community Based Waiver Program, the Model II Waiver Program, Adult Day Care, Nursing Facilities, Ventilator Facilities, Brain Injury Facilities, Nurse Aide Training, Pre-admission Screening and resident review, Intermediate Care Facilities/Mental Retardation, and PACE.

DIVISION OF MEMBER AND PROVIDER SERVICES

This Division is responsible for coordinating and maintaining the Title XIX State Plan, for policy development regarding eligibility, for resolving all recipient eligibility concerns, Utilization Review, and program integrity issues. These responsibilities will be accomplished through three Branches:

- (1) Customer Services Branch: This Branch is responsible for coordinating eligibility for recipients statewide. It will provide an increased communication regarding all facets of eligibility by bringing into a single unit, all aspects of the process. This branch will also be responsible for Qualified Medicare Beneficiary (QMB) eligibility, and coordination of eligibility information systems, the buy-in program, consumer rights and client needs technical advisory committee, maintaining a general Medicaid information help desk to field inquiries from the public, providing to external agencies and the public information relating to the eligibility and Managed Care Entity (MCE) assignment of individuals, providing technical assistance to MCEs pertaining to member services requirements and policies, and best practices, developing and monitoring the Ombudsman contract, and overseeing the provider enrollment process for all Medicaid providers.
- (2) Policy Coordination Branch: This Branch coordinates and maintains the Title XIX State Plan, administrative regulation coordination, policy analysis, program research, program development regarding eligibility, legislation coordination, developing Medicaid estate recovery policy, establishing Medicaid third party liability policy as related to eligibility processes, providing technical assistance to the department and external agencies pertaining to eligibility criteria and systems, and monitoring the development of the intranet and the resource library.
- (3) Program Integrity and Utilization Review Branch: This Branch is responsible for providing technical assistance to and monitoring of the Program divisions to ensure that the department is in compliance with all federal utilization review requirements, remaining abreast of all state and federal laws and regulations governing utilization review, with input from the appropriate program divisions and the Division of Quality Improvement, coordinating the scheduling of all adverse determination hearings and providing expert testimony for issues of eligibility, coordinating and monitoring all fraud and abuse activities of the department, and administering the federally-required SURS and Lock-in programs.

DIVISION OF PHYSICAL HEALTH PROGRAMS

This Division is responsible for the program development and reimbursement functions of the following programs in both, the fee-for-service and the Managed Care environments:
M.D./Osteopath, Dentist, Rural Health, Primary Care, ARNP, Family Planning,

Optometry/Opticians, Podiatry, Audiology, Physician Asst., Birthing Centers, DME, Home Health, Hospice, Specialty M.D.'s, Renal Dialysis, Rehab Hospitals, Transplants, Chiropractors, CORF's, Occupational Therapy, Physical Therapy, Speech, Commission for Children with Special Health Care Needs, Transportation, Lab, Pharmacy, Ambulatory Surg. Centers, Hospitals, Out Patient Hospitals, and X-Ray. It will coordinate programmatic functions through two Branches:

- (1) Physical Health Policy and Development Branch: This Branch is responsible for the promulgation of administrative regulations regarding services coverage, quality of care, provider reimbursements, and provider qualifications, ensuring that the agency is in compliance with all applicable state and federal laws and regulations governing physical health program and service operations, ensuring that the state plan and current administrative regulations are consistent with regard to physical health policy and reimbursement methodology, providing technical assistance and expert testimony to and on behalf of the Cabinet and other state agencies. (e.g. hearings, law suits, legislative testimony and new program development), and knowledge of state of the art of the various assigned service areas of responsibility (e.g. Federal regulatory changes, marketplace dynamics, service and reimbursement innovations) and recommending program policy.
- (2) Physical Health Operation and Field Services Branch: This branch is responsible for ensuring that participating providers and Managed Care entities are monitored for compliance with state and federal regulations, contract requirements and their achievement of service access and quality targets and goals; the development of, negotiation with, and the monitoring of assigned providers, Managed Care Entities and department agent contracts; providing necessary program technical assistance and training to Departmental staff and participating providers including advice on best practices of Managed Care Entities, and for ensuring that automated provider payment and reporting systems are appropriately updated and revised to enforce and support program policies.

DIVISION OF BEHAVIORAL HEALTH PROGRAMS

This Division is responsible for the program development and reimbursement functions of the following programs in both, the fee-for-service and Managed Care environments: Impact Plus, Crisis Stabilization, Community Mental Health Centers, Inpatient Psychiatric Hospitals, Psychiatrists, Social Workers, Psychologist, Psychiatric R.N.'s, PRTF's, Targeted Case Management (Child and Adult), DSS Title V, and Substance Abuse.

It is responsible for ensuring that the agency is in compliance with all applicable state and federal laws and regulations governing assigned service and program operations, ensuring that the state plan and current administrative regulations are consistent with regard to behavioral health policy and payment methodology. In addition, in conjunction with the Information Systems Division, this Division is responsible for ensuring that automated provider payment and reporting systems are appropriately updated and revised so as to enforce and support program policies, monitoring participating providers and MCEs for compliance with state and federal regulations and their achievement of service access and quality targets and goals, providing necessary program technical assistance and training to participating providers including advice on best practices to MCEs, providing program specific technical assistance and expert testimony to and on behalf of the Cabinet and other state agencies. (e.g. hearings, legislative testimony, court actions, new program development, remaining abreast of the state of the art of the various assigned service areas of responsibility (e.g. Federal regulatory changes, marketplace dynamics, service and reimbursement innovations) and recommending program policy, negotiating and monitor assigned provider, MCE and department agent contracts, managing the internal operations and administrative functions of the Division and serving as liaison to assigned TACs, committees, councils and citizens groups.

DIVISION OF QUALITY IMPROVEMENT

This Division is responsible for sponsoring or performing special population studies and research which identify specific health care and life style management needs of the covered member populations, remaining abreast of the state of the art of quality improvement, developing special utilization studies to be performed by the PRO, designing targeted initiatives to meet the identified health care and prevention needs and desired outcomes, developing survey instruments which gauge member and provider satisfaction and identifying the relevant issues. In addition, this Division is responsible for overseeing and monitoring all external program evaluation activities of the department, monitoring all program operations to determine if they are consistent with good service quality management objectives, developing best practices guidelines and proving technical assistance to the MCEs and programs related to the guidelines, remaining abreast of changing demographic and other trends which will affect the Department's long and short terms program planning efforts, performing initial research and program development functions for new Medicaid initiatives, and proving technical expertise to program divisions relating major program enhancements or revisions.